

COUNTY OF PLACER
Community Development/Resource Agency

Michael J. Johnson, Agency Director

**PLANNING
SERVICES DIVISION**

Paul Thompson
Deputy Planning Director

HEARING DATE: November 21, 2013
TIME: 9:40 AM

TO: Placer County Zoning Administrator
FROM: Development Review Committee
DATE: November 8, 2013
SUBJECT: MINOR USE PERMIT (PMPM20130283)
CALIFORNIA DISTILLED SPIRITS

COMMUNITY PLAN AREA: Auburn Bowman Community Plan

COMMUNITY PLAN DESIGNATION: Industrial

ZONING: INP-Dc (Industrial Park, combining Design Scenic Corridor)

ASSESSOR'S PARCEL NUMBER: 052-020-083

STAFF PLANNER: Gerry Haas

LOCATION: North side of Locksley Lane, approximately 0.50 mile east of SR49 in North Auburn

APPLICANT: Ed Arnold

PROPOSAL:

The applicant requests approval of a Minor Use Permit to allow for the installation and operation of a micro-distillery within a vacant lease unit of an industrial park in North Auburn. If approved, the distillery would process previously fermented wash, adding water to produce clear spirits (such as vodka and gin) or dark spirits (such as whiskey). The facility would then bottle and distribute for off-site consumption.

CEQA COMPLIANCE:

This project is categorically exempt from the provisions of CEQA per Section 18.36.030 (Class 1 – Existing Facilities) of the Placer County Environmental Review Ordinance, July 15, 2003.

SITE CHARACTERISTICS:

The project site is a 3.1-acre parcel on the north side of Locksley Lane, just east of SR49 and approximately one-quarter mile southwest of the Auburn Municipal Airport. The parcel is developed with three industrial/office buildings that are separated by a common driveway extending north from Locksley Lane. On-site parking spaces exist in front of each lease unit, and between the buildings.

Properties adjacent to the north, south and west are developed with commercial or industrial uses. The parcel adjacent to the east is developed with a vacant single-family residence. On-site, existing uses are primarily automotive related (parts, repair and smog) and industrial/manufacturing (spa cover manufacturer and metal fabrication).

BACKGROUND:

The project site was first developed as the Placer Hills Industrial Park in 1990, following approval of CUP-1227. In late 1990, the project use permit was modified with approval of CUP-1370, which superseded CUP-1227 and now allows limited outdoor storage space for certain lease units.

Condition 2 of CUP-1370 requires review and approval of each new use within the industrial park by the Zoning Administrator. Historically, new uses that were considered clearly compatible have been allowed to locate with nothing more than issuance of a Business License. Where only minor concerns existed, uses have been allowed with a Zoning Administrator memorandum to the file.

At this time, the applicant is proposing to install and operate a private micro-distillery within one of the vacant units. Because this use would be new to the industrial park, and because it is considered to have potential for conflict with adjacent existing uses, including the nearby airport, staff has determined that approval of a Minor Use Permit is necessary in order to properly vet the new use and provide an opportunity for adjacent or nearby businesses to provide comments on the project and the suitability of this location.

PROJECT DESCRIPTION:

The applicant proposes conversion of a leased unit space within the industrial park into an alcohol distilling and bottling facility. Considered a micro-distillery, the project would produce up to 100 gallons per daily run. Initially it will require a single operator, but a small workforce could be added in the future. Unlike breweries or wineries, state law prohibits on-site tasting or direct sale to the public, so there would be no true retail component.

As stated by the applicant, the facility would use previously fermented wash, a by-product of local beer and wine manufacture, and extract the alcohol through distillation. The distilled alcohol is then mixed with water and bottled (for production of clear spirits like vodka and gin) or placed in wood barrels for aging if making a whiskey.

ANALYSIS:

In order to determine project consistency with County goals and policies and compatibility with neighboring uses, including the nearby airport, staff provides the following analyses for the Zoning Administrator's consideration:

Zoning and General Plan Consistency: The project site is zoned INP (Industrial Park) and is surrounded by similar industrial or heavy commercial zoning. The Placer County Zoning Ordinance defines this type of land use as "food products", which includes liquor production, and this use is allowed in the INP zone district with approval of a Minor Use Permit.

The Auburn/Bowman Community Plan (A/BCP) land use designation for this parcel is Industrial. The proposed use is industrial or heavy commercial in nature and generally fits this land use description. The project has been found to be consistent with the goals, policies and implementation measures of the A/BCP.

Neighborhood Consistency: Although the proposed use is consistent with the zoning and land use designations, it would differ slightly from the existing blend of uses present in the industrial park. As mentioned above, the park is developed with industrial or heavy commercial uses. These uses generate moderate traffic, intermittent noise and some industrial odors. Because the proposed distillery would generate very little traffic and virtually no noise, staff found only two potential issues related to the use; odors and fire risk.

The applicant's supplemental information includes a discussion about fire safety and states that the building is concrete, the unit is outfitted with a sprinkler system and there will be a strict no smoking/no flame policy. Additionally, Placer County Fire District has been sent a copy of the application and any recommended conditions of approval will be attached to this staff report.

Regarding odors, the supplemental information explains that the distillation process produces some aroma, but would not be as obnoxious as a standard distillery for two reasons; 1) the batch sizes are smaller and 2) initial fermentation, which creates the "wash" – the liquid to be distilled – occurs off-site. The applicant will out-source with local breweries and wineries for the wash. In addition, the lease unit has excellent ventilation (previous auto body paint shop) and any odors would likely be less detectable than what existed with the prior use of this lease space.

The proposed activity will not be disruptive to surrounding uses provided the activity is consistent with the project description and that the project adheres to the recommended Conditions of Approval.

Airport Compatibility:

As stated above, the project site is located approximately 0.25 mile from the Auburn Municipal Airport and lies within the Airport's influence area boundary. Specifically, the site lies within Compatibility Zone B1, which is the approach and departure zone. A copy of the project application was sent for review to the Placer County Airport Land Use Commission (ALUC). The ALUC staff comments indicated no concern about the use intensity, or the potential hazards associated with the storage of flammable liquids, as the distillery has a 300 gallon capacity, far below the 2,000 gallon threshold established by the ALUCP.

The ALUC staff cited some concern over potential releases of steam or other vapors that could obstruct the vision of low flying pilots during arrival or departure. The staff comment mentions that measures "may be needed" to mitigate the release of steam, but offers no specific recommendations. In discussing this issue with the applicant, staff has found that

during the distillation process the steam that is produced is actually the alcohol, which evaporates at a lower temperature than the remaining liquids. The facility is designed to capture and condense this steam, which becomes the marketable spirit. Although the remaining liquid generates some steam when the unit is shut off, it is a small amount and would be released inside the building to then be metered outside through the ventilation system. As a result, no significant production of steam is expected to occur throughout the process.

ALUC staff review also requires the dedication of an aviation easement for all projects located within the airport overflight zone to disclose to future property owners the presence of an airport in the vicinity. Therefore, if approved, staff recommends a Condition of Approval requiring that a deed notice related to airport operations shall be recorded prior to building occupancy.

RECOMMENDATION:

Staff recommends approval of the Minor Use Permit (PMPM 20130283) to allow for the installation and operation of a micro-distillery within a vacant lease unit of the Placer Hills Industrial Park in North Auburn.

FINDINGS:

CEQA:

The Zoning Administrator finds that this project is categorically exempt from review under CEQA pursuant to Section 15301 of the California Environmental Quality Act Guidelines and Section 18.36.030 of the Placer County Environmental Review Ordinance (Class 1, Existing facilities).

MINOR USE PERMIT FINDINGS:

1. The proposed Minor Use Permit is consistent with applicable policies and requirements of the Placer County General Plan and the Auburn/Bowman Community Plan.
2. The proposed Minor Use Permit is consistent with all applicable provisions of the Placer County Zoning Ordinance.
3. The establishment, maintenance or operation of the proposed Minor Use Permit will not, under the circumstances of this particular case, be detrimental to the health, safety, peace, comfort and general welfare of people residing in the neighborhood of the proposed use, or be detrimental or injurious to property or improvements in the neighborhood or to the general welfare of the County.
4. The proposed Minor Use Permit will be consistent with the character of the immediate neighborhood and will not be contrary to its orderly development.
5. The proposed Minor Use Permit will not generate a volume of traffic beyond the design capacity of all roads providing access to the project site.

ATTACHMENTS:

- A. Conditions of Approval

cc: Engineering & Surveying Department
Environmental Health Services
Project File
Applicant

RECOMMENDED CONDITIONS:

1. The Minor Use Permit (MPPM20130283) is approved to allow for the installation and operation of a micro-distillery within a vacant lease unit of the Placer Hills Industrial Park in North Auburn. The distillery will process previously fermented wash, adding water to produce spirits. The facility will then bottle and distribute for off-site consumption.
2. Applicant shall provide evidence of an avigation easement, dedicated to the City of Auburn.
3. Applicants shall obtain a permit from the Building Services Division prior to any construction activity on site.
4. This Use Permit will expire on December 1, 2015 unless exercised by the approval of a Building Permit or Business License.

REQUEST FOR STAFF REVIEW

**PLACER COUNTY
AIRPORT LAND USE COMMISSION (ALUC)**

299 Nevada Street
Auburn, CA 95603

Phone: 530.823.4030
Fax: 530.823.4036

Date Received: 10.2.2013

Received From:
Placer County CDRA

Airport Name:
Auburn Municipal Airport

ALUC Case No.: 2013/2014 -- 05

Project Title: California Distilled Spirits (PMPM-20130283)

Project Description:

A Minor Use Permit Modification to allow a small micro-distillery (300 gallon still capacity) to produce approximately 30 gallons of distillate daily. The micro-distillery will occupy 2,200 square feet located at 12205 Locksley Lane #11 (APN: 052-020-083-000) in the Auburn/Bowman Community Plan area.

The distillery operation will take a fermented wash and extract through distillation the alcohol. The distilled alcohol will be blended with water to the desired proof and then either bottled for shipment or barreled for aging. The fermentation part of the process will not occur on the project site. There will also be no retail component for direct sales to the public.

Application for: ☐ Rezone ☐ General/Community Plan Amendment ☒ Other

Background

On October 2, 2013, PCTPA received a Minor Use Permit Modification to allow a small micro-distillery at 12205 Locksley Lane #11 in the Auburn/Bowman Community Plan area.

ALUC Staff Comments

The project site is less than 0.24 miles southwest of the Auburn Municipal Airport runway. The PCALUCP, illustrates that the site is in the in the airport's influence area boundary (see attached map)¹. One Compatibility Zone (Figure 3A and Compatibility Zone Boundary descriptions – pages 3-4/5) lies over the site.

- Compatibility Zone B1 - Approach/Departure Zone - encompasses portions of the runway approach/departure areas that are adjacent to and beyond the ends of the runway protection zone (Compatibility Zone A). Noise levels and risks are both high in this zone. Noise produced by individual aircraft operations is often high enough to disrupt many land use activities. Risk levels are high because of the proximity to the runway ends and because these areas are overflown by aircraft at low altitudes – typically only 200 to 400 feet above the runway elevation.

Primary Compatibility Criteria (Table 2A) summarizes maximum density/use intensity, prohibited uses, and other development conditions. For Zone B1 the average intensity is 25 people/acre.

Compatibility Factors Map (Exhibit 4H) illustrates the site is in:

- General Traffic Pattern Envelope/Flight Direction. This is an area where approximately 80 percent of aircraft overflights are estimated to occur.
- 60 dB CNEL noise contour¹.
- Aircraft Departure Accident Risk Intensity Contours for takeoffs to the west.

Appendix D provides compatibility guidelines for specific land uses. Based on the project description, the proposal is an industrial operation and appears to fall within the Cooperage and Bottling Plants classification, which is considered a potentially compatible use within Zone B1.

The PCALUCP has no authority over approved development or existing buildings regardless of whether the uses are compatible with airport activities. This limitation over existing land uses applies only to the extent that the use remains constant. Proposals requiring Placer County discretionary review (such as expanding a use, converting to a different use, variances, or redevelopment) triggers PCALUCP consistency determination by the ALUC.

The PCALUCP requires that an ALUC consistency determination be completed on a proposed project before local agency approval.

ALUC Staff Evaluation

1. Noise. The project site lies inside the airport's 60 CNEL noise contour.

The proposal is consistent with PCALUCP noise provisions.

2. Safety. Zone B1 limits the total number of people permitted on the project site at any one time and must not exceed the usage intensity times the gross acreage of the site. For Zone B1 the average intensity is 25 people/acre. The micro-distillery will not exceed the average use intensity. The micro-distillery will occupy 2,200 square feet; this square footage generates about four to five employees. The micro-distillery will also not include a retail component, thereby not generating any public visitation to the site.

In addition, the Zone B1 prohibits aboveground storage of hazardous substances. An exemption of up to 2,000 gallons for nonaviation flammable materials is allowed under the ALUCP. The application does not describe the distillate as being used for aviation purposes. The 300 gallon distillery capacity would meet the ALUCP gallonage exemption requirements.

The proposal is consistent with PCALUCP safety provisions.

3. Airspace Protection. Zone B1 requires an airspace review by ALUC staff for structures greater than 35 feet high. No information on the height of the building is outlined in the application. Based on a site review it appears that the existing building is less than 35 feet in height and therefore meets ALUCP airspace provisions.

¹ A Community Noise Equivalent Level (CNEL) noise contour is a measure adopted by the State of California for evaluating airport noise impacts.

**PLACER COUNTY
AIRPORT LAND USE COMMISSION**

The project description notes that there may be ventilation of odors during the distillery operation. At this location, aircraft will fly over the site at low elevations. Measures may be needed to mitigate any release of steam or other vapors from the distillery operation, which could potentially impede a pilot's vision during landing of the aircraft.

The proposal is consistent with PCALUCP airspace protection provisions provided that operation of the distillery mitigates release of any steam or other vapors.

4. Overflights. Overflight compatibility concerns encompass a combination of noise and safety issues. The project site is located within the airport's general traffic pattern, where about 80 percent of aircraft overflights are estimated to occur. For Zone B1 an aviation easement dedication shall be recorded for each parcel associated with any discretionary land use action reviewed by the ALUC.

The proposal is consistent with PCALUCP overflight provisions provided dedication of an aviation easement.

General Note: the ALUC staff recommends that anyone intending to offer land for sale or lease with the airport's influence area to disclose this fact. California's Business and Professions Code (Section 11010) and Civil Code (Sections 1102.6, 1103.4, and 1353) specify required disclosure for certain actions. See www.leginfo.ca.gov/calaw (Find California Law).

Applicable ALUC Plan:

Placer County Airport Land Use Compatibility Plan – October 25, 2000

Applicable ALUC Policy: ☐ Noise ☐ Safety ☒ Airspace Protection ☒ Overflight

☐ **Compatible**

☒ **Compatible subject to Conditions (see ALUC staff comments)**

☐ **Incompatible because of –**

- ☐ **Safety**
- ☐ **Noise**
- ☐ **Height**
- ☐ **Density/Intensity**

Reviewed by:

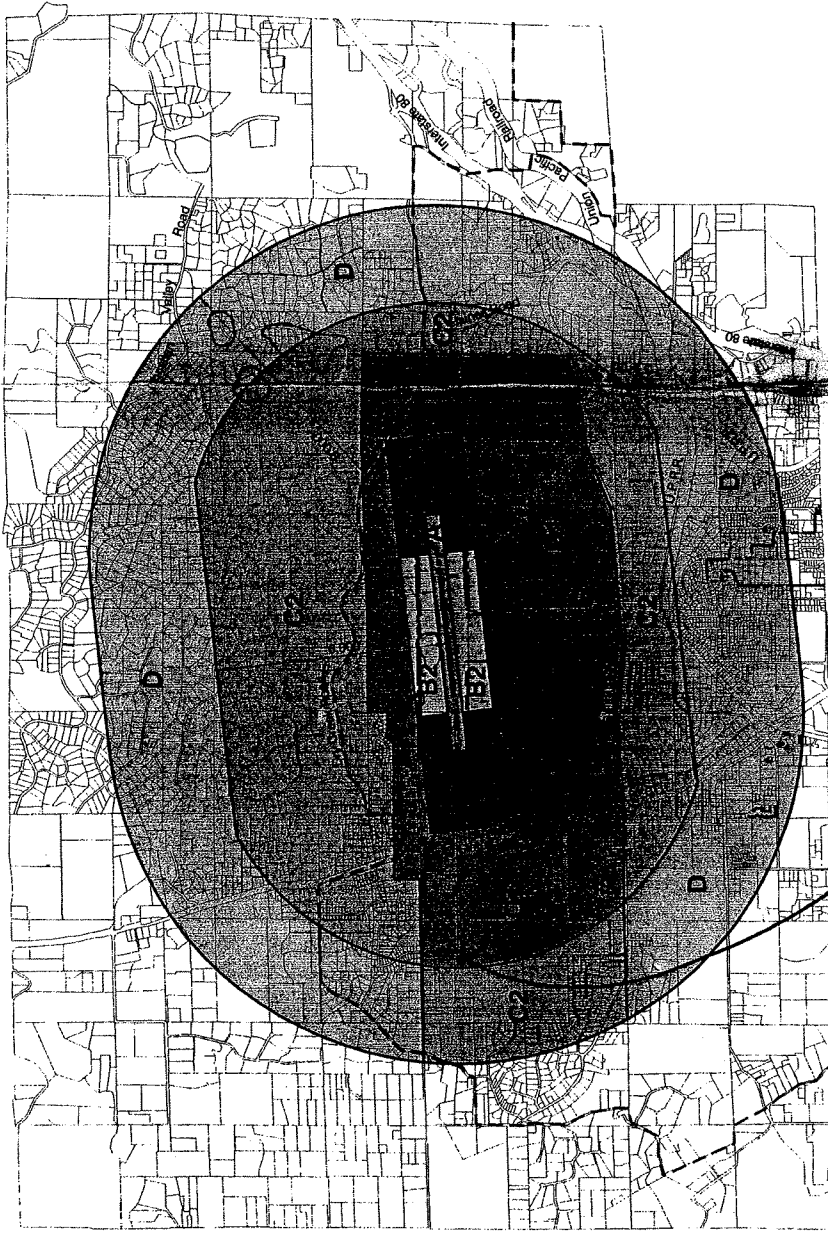
David Melko, Sr. Planner -- TEL: 530.823.4090

Date:

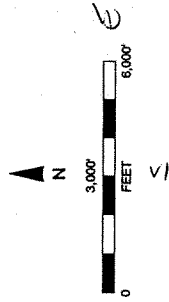
October 16, 2013

Copies: City of Auburn, Will Wong
 County of Placer, Gerry Haas
 County of Placer, Nicole Hagmaier

ⁱ See PCTPA's web site (www.pctpa.net) for more on the PCALUCP.



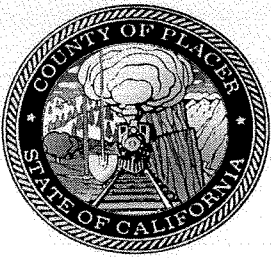
- Legend**
- Compatibility Zones**
- Zone A
 - Zone B1
 - Zone B2
 - Zone C1
 - Zone C2
 - Zone D
- Height Review Overlay Zone**
- Boundary Lines**
- Airport Property Line
 - Auburn City Limits
 - Auburn Sphere of Influence
- Note: longitudinal dimensions measure from end of primary surface, 200' from ends of extended runway.



Source: Shutt Moen Associates (October 25, 2002)

Figure 3A

Compatibility Map
Auburn Municipal Airport



PLACER COUNTY DEPARTMENT OF PUBLIC WORKS

Ken Grehm, Director
Peter Kraatz, Assistant Director
Robert Costa, Deputy Director

TO: Gerry Haas, Planning Division
Nicole Hagmaier, Planning Division

DATE: October 15, 2013

FROM: Amber Conboy, DPW - Transportation Division

SUBJECT: **TRAFFIC MITIGATION FEES (PMPM 20130283; CA DISTILLED SPIRITS; APN 052-020-083)**

The Department of Public Works (DPW) has reviewed the above application and finds that the project, as proposed, will not be subject to the payment of traffic impact fees; however, if the use or the square footage changes, then fees may apply. The actual fees paid will be those in effect at the time the payment occurs.



COUNTY OF PLACER
Community Development Resource Agency

**ENGINEERING &
SURVEYING**

MEMORANDUM

TO: GERRY HAAS, PLANNING DIV
NICOLE HAGMAIER, PLANNING DIV

DATE: OCTOBER 15, 2013

FROM: SHARON BOSWELL, ESD

SUBJECT: MPPM 20130283: (MOD. CUP-1227, HUBBINS INDUSTRIAL PARK)
CA DISTILLED SPIRITS; LOCKSLEY LN; AUBURN; ED ARNOLD; (APN: 052-020-083)

This project proposes to modify the entitlements of CUP 1227, Hubbins Industrial Park, to add a distillery as an allowed use to the existing development. The applicant proposes to occupy Suite 11 which was previously occupied by an auto body shop. The Engineering & Surveying Division (ESD) supports the Development Review Committee's recommendation for the Modification to Conditional Use Permit application subject to the following condition:

1. Materials with the potential to contaminate stormwater that are to be stored outdoors shall be placed in an enclosure such as, but not limited to, a cabinet, shed, or similar structure that prevents contact with runoff or spillage to the stormwater conveyance system, or protected by secondary containment structures such as berms, dikes, or curbs. The storage area shall be paved to contain leaks and spills and shall have a roof or awning to minimize collection of stormwater within the secondary containment area.



Placer County Health and Human Services Department

Richard J. Burton, M.D., M.P.H.
Health Officer and Department Director

Wesley G. Nicks, R.E.H.S.
Director of Environmental Health,
Public Health and Animal Services

MEMORANDUM

DEPARTMENT OF HEALTH & HUMAN SERVICES ENVIRONMENTAL HEALTH SERVICES

To: Zoning Administrator

From: Justin Hansen
Land Use and Water Resources Section

Date: October 11, 2013

Subject: PMPC 20130283, CA Distilled Spirits, APN 052-020-083

Environmental Health Services has reviewed the abovementioned minor use permit application and variance request had no comments or conditions of approval.

Perspective, Hope, and Opportunity